

## TOURISM

Budget Summary							
Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$10,614,600	\$10,528,200	\$11,028,200	\$500,000	4.7%	\$413,600	3.9%
FED	1,519,800	1,537,800	1,537,800	0	0.0	18,000	1.2
PR	19,013,400	19,039,700	19,231,800	192,100	1.0	218,400	1.1
SEG	<u>4,602,000</u>	<u>3,207,000</u>	<u>3,207,000</u>	<u>0</u>	<u>0.0</u>	<u>- 1,395,000</u>	<u>- 30.3</u>
TOTAL	\$35,749,800	\$34,312,700	\$35,004,800	\$692,100	2.0%	- \$745,000	- 2.1%

FTE Position Summary					
Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to:	
				Governor	2014-15 Base
GPR	30.00	26.00	30.00	4.00	0.00
FED	1.00	0.00	1.00	1.00	0.00
PR	1.25	8.00	4.00	- 4.00	2.75
SEG	<u>2.75</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>- 2.75</u>
TOTAL	35.00	34.00	35.00	1.00	0.00

### Budget Change Items

#### 1. STANDARD BUDGET ADJUSTMENTS

**Governor/Joint Finance:** Provide adjustments to the agency base budget for the following: (a) full funding of salaries and fringe benefit costs of continuing positions (-\$46,500 GPR, \$9,800 FED, -\$1,500 PR, and -\$4,500 SEG annually); (b) overtime costs (\$600 PR and \$2,000 SEG annually); (c) differential pay for night and weekend hours (\$100 SEG annually); and (d) full funding of lease and directed moves costs (\$3,300 GPR, -\$800 FED, -\$1,300 PR and \$100 SEG annually).

GPR	- \$86,400
FED	18,000
PR	- 4,400
SEG	<u>- 4,600</u>
Total	- \$77,400

## 2. OFFICE OF MARKETING [LFB Paper 627]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
PR	\$1,427,700	8.00	- \$757,900	- 4.00	\$669,800	4.00

**Governor:** Provide \$734,700 in 2015-16 and \$693,000 beginning in 2016-17 with 8.0 positions to staff an Office of Marketing in Tourism. Under current law, Tourism is to establish and maintain a marketing clearinghouse to provide marketing services to all state agencies. The statutes authorize Tourism to enter into agreements with agencies to execute specific projects or provide specific products, and the Department may also provide consultation on marketing plans, market research, public relations, and advertising. Tourism is allowed to charge agencies for these services, and an appropriation exists to receive these chargebacks.

Currently, Tourism occasionally assists state agencies in developing marketing initiatives or producing certain communications, although the clearinghouse structure has not been widely used and no billing policy has been established. The appropriation has not been used since its creation under 1995 Act 27. The bill would provide funding and positions in the existing Tourism appropriation. One-time funding of \$41,700 would be provided in 2015-16 for initial costs of establishing the office.

In conjunction with funding and positions provided to Tourism, the bill would delete 29.8 positions in other, mostly larger, state agencies. Total funding of \$1,871,800 annually associated with 27.8 of the deleted positions would not be reduced, but instead would be reallocated within the agency budget from salary and fringe benefit costs to supplies and services; reallocated funding is intended to be used to pay Tourism or other vendors for marketing and communications services. The exception to this treatment would be for 2.0 SEG positions in the Department of Natural Resources (DNR), for which the bill would reduce associated funding by \$179,900 annually.

**Joint Finance:** Modify the Governor's recommendation by deleting 4.0 positions under the marketing clearinghouse appropriation, and reduce funding by \$389,400 in 2015-16 and by \$368,500 in 2016-17. The Office of Marketing would be provided 4.0 positions with \$345,300 in 2015-16 and \$324,500 beginning in 2016-17.

In addition, delete all funding associated with 29.8 positions in other agencies. Total annual funding reductions would be \$2,005,900, including: (a) \$179,900 under the bill as introduced for 2.0 DNR positions; and (b) \$1,826,000 for the remaining 27.8 positions, as modified from the Governor's recommendation to reflect a reallocation requested by the Department of Transportation. The following table shows, by fund source and agency, the positions and funding to be deleted. Additional information can be found in each agency's summary.

## Office of Marketing -- Agency Reductions

<u>Agency by Fund</u>	<u>Positions</u>	<u>Annual Funding Deleted</u>
<b>GPR</b>		
Agriculture, Trade and Consumer Protection	1.80	\$112,000
Corrections	3.00	165,200
Educational Communications Board	1.00	66,700
Revenue	<u>1.00</u>	<u>62,400</u>
Subtotal	6.80	\$406,300
<b>FED</b>		
Children and Families	1.00	\$62,800
Natural Resources	2.00	157,400
Veterans Affairs	1.00	71,300
Transportation	1.65	103,400
Workforce Development	<u>2.00</u>	<u>52,100</u>
Subtotal	7.65	\$447,000
<b>PR</b>		
Administration	1.00	\$93,900
Safety and Professional Services	<u>0.50</u>	<u>23,800</u>
Subtotal	1.50	\$117,700
<b>SEG</b>		
Natural Resources	7.00	\$624,400
Transportation	<u>6.85</u>	<u>410,500</u>
Subtotal	13.85	\$1,034,900
<b>Total</b>	<b>29.80</b>	<b>\$2,005,900</b>

Note: Amounts includes \$179,900 SEG recommended for deletion by the Governor, associated with 2.0 DNR positions, as well as funding initially recommended to be reallocated.

### 3. **TRANSFER KICKAPOO VALLEY RESERVE TO DEPARTMENT OF NATURAL RESOURCES [LFB Paper 625]**

	<b>Funding</b>	<b>Positions</b>
PR	- \$447,000	- 1.25
SEG	<u>- 1,390,400</u>	<u>- 2.75</u>
Total	- \$1,837,400	- 4.00

**Governor:** Transfer the administrative attachment of the Kickapoo Valley Reserve (KVR) and the Kickapoo Reserve Management Board (KRMB) from Tourism to DNR. Specify the transfer takes effect on the day after the budget bill's publication date. Transfer KVR appropriations, which are budgeted as a separate program under Tourism, to DNR. Delete the following funding and positions from Tourism: (a) \$695,200 SEG annually from the forestry account of the conservation fund, with 2.75 positions; and (b) \$223,500 PR with 1.25 positions.

In addition to the funding and position transfers, provide standard directives: (a) transferring all KVR assets, liabilities, tangible personal property and current contracts from

Tourism to DNR; and (b) transferring incumbent employees to DNR, and preserving all rights and statuses employees may have earned prior to transfer.

**Joint Finance:** Delete provision. The Reserve and the KRMB would remain administratively attached to Tourism. However, specify the KVR/KRMB is to be budgeted as a separate agency, rather than as a program under Tourism. Appropriations, funding and positions authorized for the KRMB would be created under s. 20.385 (1) of the statutes, instead of restored to Tourism under s. 20.380 (2) of the statutes. [See "Kickapoo Reserve Management Board."]

Also, specify personnel and biennial budget requests of the KRMB are to be processed and forwarded by Tourism without change, except as requested or concurred in by the KRMB. Under the provision, Tourism would remain responsible for other limited administrative functions of the KRMB, such as accounting, payroll, and related management functions.

#### 4. REPEAL MARKETING EARMARKS [LFB Paper 626]

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance (Chg. to Gov)</b>	<b>Net Change</b>
PR	- \$950,000	\$950,000	\$0

**Governor:** Repeal the following marketing-related expenditures Tourism is required to make for specific organizations or purposes:

- At least \$125,000 in each fiscal year for marketing of sporting activities and events;
- At least \$25,000 in each fiscal year for state sponsorship of, and advertising during, broadcasts of the Milwaukee Symphony;
- At least \$50,000 in each fiscal biennium to promote multicultural events in Wisconsin;
- At least \$200,000 in each fiscal biennium for grants to the Milwaukee Public Museum for promotion of Museum programs and exhibits; and
- At least \$200,000 in each fiscal year for grants to Native American Tourism of Wisconsin.

In addition, delete \$475,000 annually from Tourism's marketing appropriation supported by tribal gaming PR. The funding that would be deleted corresponds with the amounts Tourism typically expends annually, as biennial expenditure requirements customarily are split into equal parts for each fiscal year.

**Joint Finance:** Modify the Governor's recommendation to repeal the required marketing expenditures effective July 1, 2017, and restore \$475,000 tribal gaming PR each year.

Additionally, require Tourism to conduct a study of the statewide benefits of the required

marketing expenditures, as well as possible alternative expenditures that could be made with the same funding. Require Tourism to report its findings to the Joint Committee on Finance by January 1, 2017.

## 5. FRANK LLOYD WRIGHT PROMOTIONS

GPR	\$500,000
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**Joint Finance:** Require Tourism to expend \$500,000 in the 2015-17 biennium only to promote, advertise and publicize buildings in Wisconsin designed or constructed by Frank Lloyd Wright that are open to the public. Provide \$500,000 GPR in 2015-16 in Tourism's biennial general marketing appropriation for Wright promotions.

Under a related provision, the Department of Transportation would be required to create a Frank Lloyd Wright Heritage Trail, located between Richland Center and the point where Interstate 94 enters Wisconsin in Kenosha County. Transportation would be required to erect markers at each end of the route, and for at least the following destinations: (a) the Frank Lloyd Wright Research Tower at the headquarters of S.C. Johnson and Son, Inc., in the City of Racine; (b) Wingspread in the Village of Wind Point; (c) Monona Terrace in the City of Madison; (d) the First Unitarian Society Meeting House in the Village of Shorewood Hills; (e) Taliesin and the Frank Lloyd Wright Visitor Center in Iowa County; and (f) the Richland Museum and Visitors Center in the City of Richland Center. Transportation also could erect markers for other Wright-designed or -constructed sites within 15 miles of the route. [See "Transportation -- Departmentwide."]

## 6. PROVISION OF INFORMATION TECHNOLOGY SERVICES BY DEPARTMENT OF ADMINISTRATION [LFB Paper 110]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- 3.00	3.00	0.00
FED	<u>- 1.00</u>	<u>1.00</u>	<u>0.00</u>
Total	- 4.00	4.00	0.00

**Governor:** Require that all information technology services for Tourism be provided by the Department of Administration (DOA).

Delete 4.0 positions from the following appropriations to transfer responsibility for all information technology services to DOA: (a) tourism promotion general operations (3.0 GPR positions); and (b) Arts Board general operations (1.0 FED position). Funding associated with the positions (\$203,900 GPR and \$77,400 FED annually) would not be reduced, but rather reallocated to supplies and services to pay charges by DOA for information technology services. The bill does not specify that incumbent employees would be transferred to DOA.

On the effective date of the bill, specify that the assets and liabilities of Tourism related to information technology, as determined by the Secretary of DOA, would become the assets and liabilities of DOA. In addition, on the effective date of the bill, specify that all tangible personal

property, including records, relating to information technology would transfer to DOA. Further, all information technology contracts would remain in effect and would transfer to DOA.

**Joint Finance:** Delete provision. [See "Administration--Transfers."]

**7. TRANSFER FUNCTIONS AND DELETE POSITIONS FOR DOA SHARED AGENCY SERVICES [LFB Paper 111]**

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance (Chg. to Gov)</b>	<b>Net Change</b>
GPR	- 1.00	1.00	0.00

**Governor:** Delete 1.0 accountant position from tourism promotion general operations for a shared agency services pilot program under DOA. Funding associated with the position (\$97,700 GPR annually) would not be reduced, but rather reallocated to supplies and services to pay shared agency services charges assessed by DOA. The bill does not specify that incumbent employees would be transferred to DOA.

Transfer the following functions to DOA under the pilot program: (a) human resources services; (b) payroll services; (c) finance services; (d) budget functions; and (e) procurement services. Under the bill, DOA would be authorized to assess agencies for services provided under the pilot program in accordance with a methodology determined by DOA.

**Joint Finance:** Delete provision. [See "Administration -- Transfers."]

**8. LAPSE REQUIREMENT**

**Governor/Joint Finance:** Specify that the 2013 Act 145 requirement that Tourism lapse \$10,400 to the general fund from the unencumbered balances of GPR and PR appropriations in 2015-16 would also apply to 2016-17. [See "Budget Management and Compensation Reserves."]